

Subject Burnsville; tax increment financing districts authorized

Authors Berg and Hanson

Analyst Alexandra Haigler

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Overview

This bill authorizes special rules for the city of Burnsville to create redevelopment TIF districts within the limited area of the Burnsville Center mall and adjacent rights-of-way.

Summary

Section	Description
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1	City of Burnsville; TIF authority.
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Subd. 1. Establishment. Authorizes the city or development authority to establish one or more redevelopment districts within the parcels that comprise the Burnsville Center mall.

Subd. 2. Special rules. Allows the following special rules to apply to any district established under subdivision 1:

- exempts from the required blight findings for establishing a redevelopment district;
- exempts from the requirement that increment be spent on correction of blight conditions; and
- allows that increment used on the construction of a bridge, tunnel, or other connector across adjacent rights-of-way is deemed an expenditure within the district.

This section is effective upon local approval and compliance with filing requirements for special laws.

Background on general TIF rules

Redevelopment districts. Under current law, a blight finding within the district area must be found before a redevelopment district can be established. The blight finding

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is based on a percentage of the area's parcels that are occupied by improvements and of the parcels' buildings that are substandard.

To that end, redevelopment districts are allowed a longer duration (25 years) than districts that have a lesser blight requirement (i.e., renewal and renovation districts—15 years), or districts that do not have a blight finding requirement (i.e., economic development districts—8 years).

Increment expenditure limitation. Under current law for redevelopment districts, at least 90 percent of increment generated in a district must be used to finance the correction of the blighted conditions that allowed the district to qualify as a redevelopment district.

If a district is a “deemed” redevelopment district under a special law, it would follow that the district would be unable to meet this statutory expenditure limitation.



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